CIO Council Meeting Minutes
September 28, 2005
Albert Coates Building

Attendees:
Members: Randy Barnes (DOR), Julie Batchelor (OSC), Bob Bellamy (DPI), Larry Brewer (DOI), Bob Brinson (DOC), John Davis (OSMB), Mark Hughes (DENR), Dan Kempton (NCIC), Jae Kim (DCR), Smitty Locklear (DOA), Nancy Lowe (DJJDP), Ben McLawhorn (OSC), Robin Murray (for AOC), David Nicolsysen (CCPS), Mark Paxton (DOT), Karen Tomczak (DHHS)

Other Agency Guests: Barbara Bostian (DOR), Jim Dolan (OSBM), David Keys (DOC), Carol Morin (CJIN), Don Nattress (OSP), Jonathan Womer (OSBM),

ITS: Billy Willis and Ann Garrett

Vendors: Kathie Austin (FRD), Carolyn Hendricks (BIZCACTA), Ed Pratt (HCSSystems), Tanya Stauffer (Analysts International), Joanne Wise (CIBER)

Scribe: Nancy Lowe, Department of Juvenile Justice and Delinquency Prevention

Welcome/Comments: Randy Barnes, chair, called the meeting to order at 10:00am and welcomed everyone.

Minutes: The minutes of the last meeting were approved without change.

State-wide Business Infrastructure Project (SBIP), Julie Batchelor: Julie informed the group that there are four projects under SBIP. Two are underway: HR/Payroll and Enterprise Date Warehouse and two are future: Budget/Financials and Tax/Revenue.

HR/Payroll Project Phase 1 (planning) is complete. Deloitte Consulting was hired to gather requirements, identify business process improvements and recommend an implementation strategy. The final deliverables are available on the State Controller's web site: http://www.ncosc.net/.

Phase 2 of the HR/Payroll project is underway. It includes contracting for software licenses and selecting an integrator. The SBIP Steering Committee decided to utilize Enterprise Resource Planning (ERP) software for SBIP. Because of current use at NCDOT, negotiations have been conducted with SAP. Since the CIOC meeting, an RFP has been posted for integrator services and a selection process will be undertaken.

The legislature has appropriated over $20 million for the first year of the HR/Payroll Project, and additional funds will be requested for future years. The HR/Payroll Project is scheduled to be fully implemented by January, 2008.

Enterprise Data Warehouse (EDW) Project: The Enterprise Data Warehouse (EDW) Project is comprised of 3 phases: Feasibility Study, Planning, and Implementation. EDW leverages the SAS enterprise license and focuses on improved availability of management level information that crosses agency and program borders.

The EDW Project Phase 1 includes four deliverables: 1) Needs assessment, 2) Prototype, 3) Enterprise Approach, and 4) Business Case. The Needs Assessment has recently begun and includes agencies involved in enterprise financials such as OSBM, DOR, DST, etc. The prototype targets workforce planning with OSP providing the functional lead and ITS providing technical expertise.

Jim Dolan inquired if the EDW Project involved Document Management. The Document Management Project is a separate initiative; however, Gary Alexander is involved in both projects.

Karen Tomczak asked if there is a plan for agencies to be able to purchase components unique to the agency need (specifically for NC-Time). Julie replied that her team has conducted a gap analysis between the NCTIME requirements and HR/Payroll requirements. Some of the NCTIME requirements such as time collection tools are outside the scope of the HR/Payroll Project. However, agencies can extend functionality through agency funding mechanisms following implementation of the HR/Payroll Project.

Payment Card/Merchant Compliance Standards, Ben McLawhorn: Ben summarized the Payment Card Industry's (PCI) data security standards for the group. The PCI has united to implement compliance efforts as a result of fraudulent credit card activity and the increasing occurrences of identity theft. OSC became aware of the mandated PCI requirements in late March 2005. Since that time, they have been working with state agencies, universities, community colleges, and local governments falling under the purview of the State's master contract with SunTrust Merchant Services. In June 2005, OSC entered into contractual arrangement with AmbrionTrustWave, a security firm specialized in PCI Security Compliance, to assist all of the State's merchants with their compliance efforts.

Ben distributed a handout that contained a list of 12 requirements under the following major headings: Build and Maintain a Secure Network, Protect Cardholder Data, Maintain a Vulnerability Management Program, Implement Strong Access Control Measures, Regularly Monitor and Test Networks, and Maintain an Information Security Policy.

In addition, Ben distributed a memo from State Controller Robert Powell to the Payment Card Merchants-Point of Contact at SunTrust Services State Contract. He highlighted the portion of this memo that addresses the 4 Merchant Levels and associated compliance requirements. All merchants are classified as Levels 2, 3, or 4 (merchant levels are determined by transaction volume). For the purposes of the State's response to this mandated Program, the State Controller is asking that all merchants comply with Level

2 requirements that consists of the completion of a 75-question annual self-assessment survey and quarterly network scans. Any merchant that stores, processes, or transmits credit card data electronically must comply with these standards. Fines are currently being assessed to Level 1 and Level 2 merchants that are not in compliance.

ITS Security Organization and Plans, Ann Garrett: Ann updated CIO's on organizational changes that have taken place in the ITS security office. The Security Office is divided into three areas/teams. Team 1, the Infrastructure Security Team is headed by Bill Ship and is focused on ITS infrastructure security. They are handling infrastructure security projects such as Intrusion Protection Services, Vulnerability/Risk Mitigation, and Wireless. Team 2, the Security Liaison Team, is headed by Chip Moore. This group supports the Enterprise Security Funded initiatives such as Security Standards, Policies and procedures, Security training, and the anti-virus/anti-spyware contract (bids are currently being reviewed for the spyware contract). Most recently they worked with the Governors office to establish the month of October as "Cyber Security Month." Team 3, the Incident Management team, is led by Tim Brown. This team deals with issues such as vulnerability management and incident management. It operates the North Carolina Information Sharing and Analysis Center (NCISAC) that works with other states through the MS ISAC and the Department of Homeland Security.

In addition, Michael Singletary's team is now part of the Strategic Initiatives Office (SIO), headed by Tom Runkle. SIO has taken responsibility for formatting, structuring, maintaining and publishing the policy manual. This group handles all policy co-ordination and publication work for ITS.

Ann also talked about security training opportunities that will be available through ITS this year. Training will focus on industry best practices and practical hands on work including classes below.

- Patch Management - Software Vulnerability Management, October 11 - 13, 2005-ASPE Technology will be teaching this course.
- A Structured Approach to Incident Response, January 17 - 19, 2006
- Identity Management (tentative topic), March 21 - 23, 2006
- Information Security Essentials Conference, April 26, 2006

Bulk Purchasing White Paper, Randy Barnes: The Bulk Purchasing white paper that was reviewed and approved at the last CIOC meeting will be submitted to Patty Bowers and results of the recommendations will be summarized at the next CIOC meeting.

UMT Project (Portfolio Management Tool), Randy Barnes: Randy opened the floor for discussion about the Portfolio Management Tool and asked for feedback on how the tool is working for agencies. Barbara Bostian from DOR took notes on discussion so that a white paper can be generated.

Mark Hughes noted that the new tool is designed more for $3 million + projects and that communication on acceptance or rejection of a project could be improved. Bob Brinson added that the tool is not working as he would like for CJIN projects. He cannot review CJIN projects that are in the tool (such as the Justice project under review now). He described the issue as a workflow problem. Bill Willis stated that he believed that it is the responsibility of the business owner of an application (not the Portfolio Management Tool) to get project summaries to mid-level boards that must approve.

Barbara will generate the white paper on this discussion prior to the next CIOC meeting and it will be reviewed by Council members.

Vendor Meetings with CIO's, Randy Barnes: Randy shared with the group that she had talked with Bill Wade about the possibility of having quarterly meetings with vendors for CIO's to share information about projects that are underway. There were no objections, so Randy will contact Bill Wade and set up the first meeting. She will also be soliciting agency presenters for the first meeting.

ITS Update, Billy Willis: Billy updated CIO's on the problems with the new calendar. He stated that there is a code defect that hinders the importing of data into the calendar. ITS developed a work around tool but has not "declared victory yet" with the new calendar. There is also a SAN problem. Billy and the ITS help desk will continue to keep CIO's up to date as progress is made with the calendar.

Billy also made the group aware that ITS was recently audited. The one major finding that the auditors noted was that too many staff had access to the computer room. Approximately 300-400 people had access and this was reduced to 52 before auditors left the building. The audit was a positive one overall.